

OUR PEOPLE

IRREPLACEABLE

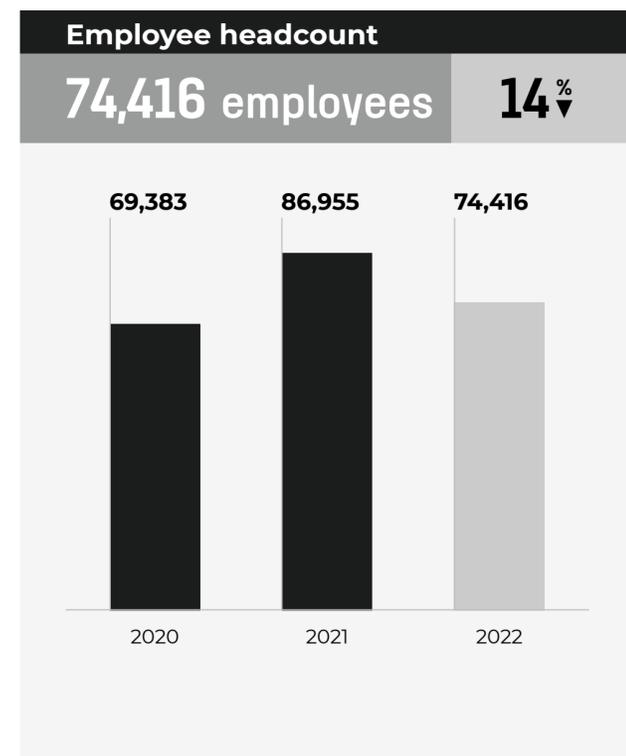
In response to the full-scale invasion, Metinvest prioritised the safety and well-being of its employees.

A WAR OF ATTRITION

GRI 2-7; 2-25

The full-scale war has had a significant impact on Metinvest's people. Tragically, among those identified, 504 died, including 313 employees and 191 of their family members as of the end of 2022. These losses cannot be replaced and will never be forgotten.

In addition, 588 of the Group's people were wounded, including 488 employees and 100 family members. Metinvest provided medical assistance to them as part of its humanitarian support efforts.



Overall, the Group faced a 14% reduction in headcount to 74,416 people as of the year-end. Despite this, Metinvest remained among the largest employers in Ukraine in 2022, where 97% of its staff were employed. The lower headcount is primarily due to the outflow of employees from the Mariupol and Avdiivka assets.

Since June 2022, Metinvest has suspended labour relations with 24,239 employees¹ as a result of the Russian Aggression. Still, these employees were recorded in total headcount and the Group has sought to keep contact with them and preserve the workforce for further possible job opportunities. This approach will help to quickly restore production capacity after the war ends.

Meanwhile, the headcount of the Zaporizhstal and Southern GOK JVs decreased to 9,947 and 5,921 people, respectively down 3% and 4% year-on-year.

The Group's approach to its employees and their families has been to do everything possible in the circumstances to help them. Metinvest supported government-led efforts to evacuate its people from the affected cities to safer locations. The Group provided temporary shelters for more than 6,000 such employees and their family members. It also established a comprehensive support programme providing material, medical, psychological and employment assistance.

¹ As at 31 December 2022.

GENERAL APPROACH

GRI 3-3

While the events of 2022 have led to major changes in Metinvest's human resource priorities and focus, its general approach to its people remains unchanged. It is grounded in best international practices, including the standards of [the Society for Human Resource Management](#).

At the apex of the Group's corporate governance structure, the Supervisory Board's Appointments and Compensations Committee supervises all aspects of personnel management, such as senior position appointments and dismissals, motivation, evaluation and reward systems, and succession planning.

The Sustainable Development and People Management Directorate oversees labour relations, employee remuneration, the professional development system and corporate culture.

Metinvest's human capital management strategy seeks to heighten the Group's appeal as an employer, secure a skilled workforce, elevate staff efficiency and refine the quality of internal HR services provided to employees.

In early 2022, Metinvest approved its Human Capital Management Policy which seeks to foster a supportive working environment. A key focus is on non-discrimination and equal opportunity, in alignment with the International Bill of Human Rights, the UN's Guiding Principles on Business and Human Rights, and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Other important aspects are working hours and rest periods, prohibition of child and forced labour, freedom of employee association and the right to collective bargaining.

As part of Metinvest's personnel management approach, the Group's HR shared service centre offers comprehensive human resource management support. Operated by Metinvest Business Services, it covers around 130 processes such as organisational planning, personnel administration, staff training, assessment procedures, compensation and benefits.

The centre played a vital role in maintaining the stability of processes during this challenging year, ensuring the continuity of work and regular payment of salaries for employees.

In the first months of the war, Metinvest launched a hotline staffed by 50 volunteers from the Group's entities and its joint ventures who worked 24/7 to provide their fellow employees with critical information, including on humanitarian aid, evacuation, resettlement and employment at the Group's assets. Metinvest also established communication support through social media chats, sorted by location to provide remote access to HR services and to connect colleagues, encouraging collaborative participation in volunteer initiatives.

In addition, to address the immediate needs of employees, Metinvest rehabilitation centres were set up in Zaporizhzhia and Kamianske, where the Group operates. To provide its staff with the widest range of services in one place, Metinvest's Career Centres were temporarily relocated to the rehabilitation centres. In 2022, in cooperation with partners, they employed more than 1,300 internally displaced employees. Also, Metinvest Career Centres provided retraining programmes aimed at further enhancing employment opportunities and workforce development.

As of the end of 2022, more than 5,000 Metinvest employees were serving in the Armed Forces of Ukraine. The Group honours their service and is supporting them and other defenders with life-saving protective equipment and warm clothes.

METINVEST RANKS AMONG TOP-15 WARTIME EMPLOYERS IN UKRAINE

In April 2023, the Ukrainian publication dsnews.ua analysed the best employers in Ukraine and ranked Metinvest among top-15 wartime employers in the country. It recognised companies that offer decent working conditions, build strong and trusting relationships within the team, care for employees' physical and psychological health, and provide training and development programmes.

COMPENSATION

Metinvest strives to offer competitive compensation for its employees, encompassing a mix of salary, bonuses and additional monetary incentives. In 2022, the Group temporarily adjusted its approach to remuneration in response to the changing circumstances. Salaries and bonuses for production personnel in Ukraine were tied to the level of production capacity utilisation. For a certain period, Metinvest supported employees leaving the war zone in Mariupol by retaining two-thirds of their salary once they registered at a Metinvest Career Centre.

Across the Group, the average overall monthly salary during the reporting period was US\$801, down 20% year-on-year primarily as a result of the devaluation of the Ukrainian hryvnia, loss of operational control over assets in Mariupol and lower production capacity utilisation at other Group assets in Ukraine.

For more details, see [Annex 2](#).

SOCIAL SUPPORT

GRI 401-2

Metinvest understands the importance of providing social benefits that cater to employees' evolving needs and foster a supportive work environment. In 2022, the Group continued to provide access to medical services through voluntary health insurance options.

In the reporting period, Metinvest offered a scaled-back version of its My Choice individualised social package. The key benefits of the package included healthcare and accident insurance for employees and their family members, as well as preferential passenger transportation. As of the end of 2022, the programme was available to around 28,000 employees from ten of the Group's operating assets².

Metinvest also launched and implemented various social projects to support its employees. For example, the Saving Lives initiative has provided essential assistance to those in need. For more details, see page 33.

In 2022, Metinvest continued its Territory of Childhood programme by providing school supply kits for employees' children starting their first year of school.

Also, the Group strived to improve working conditions for employees by investing US\$3 million in social infrastructure enhancements. These investments made it possible to renovate some workspaces and catering facilities.

In addition, Metinvest harnessed the experience of supporting remote work to ensure that office personnel had secure access to its IT systems when needed. This helped to provide options for staff members who had to relocate to safer places within Ukraine or abroad.

PROVIDING PSYCHOLOGICAL SUPPORT

The Russian Aggression has had a profound impact on the mental health of people living in a wartime environment. In response, Metinvest has launched several initiatives to provide free psychological support to the Group's employees and their families.

The Metinvest Together! service, established by the Group in 2022, engages professional psychologists and trainers for online individual sessions to help employees to cope with stress and anxiety. Also, online group meetings are held on a regular basis and cover a wide range of topics.

Metinvest provides psychological assistance at its rehabilitation centres. It includes working with war-related traumas and post-traumatic conditions; adaptation programmes for displaced employees, as well as psychological rehabilitation for employees and their children.

The Unbreakable Mum project was set up to meet vital needs as part of the Saving Lives initiative and in cooperation with the Masha Foundation. It provides psychological help to female employees, as well as the wives and children of employees. The offline psychological sessions are three-week programmes held in Ukraine's Carpathian Mountains.

In 2023, as part of the Saving Lives initiative, the Group launched a new programme for the psychological rehabilitation of children of Metinvest employees. Called Strong Generation Camp – The Future, experts from the Ukrainian Psychologists Association will provide help to children affected by the war.

² Central GOK, Ingulets GOK, Kryvyi Rih Machining and Repair Plant, Metinvest Business Services, Metinvest Digital, Metinvest-Promservice, Metinvest-SMC, Northern GOK, Zaporizhzhia Coke and Zaporizhzhia Refractories.

DIVERSITY AND EQUAL OPPORTUNITIES

GRI 405-1

Metinvest employees have equal access to training and professional development programmes, as well as the same opportunities to participate in personnel appointment processes.

The Group's collective agreements include provisions designed to provide equal remuneration for men and women performing the same job. This approach helps to ensure that salaries, incentives, benefits and other forms of compensation – both monetary and non-monetary – remain free from discrimination based on gender, race, religion or trade union membership.

The Remuneration Policy further upholds these principles by outlining an equitable approach to salary adjustments for employees returning from extended absences, such as maternity leave or military service.

In the metallurgical and mining industries, which have traditionally demanded strenuous physical labour, the workforce has typically seen a higher proportion of men than women. As of 31 December 2022, women comprised around 31% of staff (down one percentage point year-on-year), 27% of the executive team (up two percentage points year-on-year) and 10% of the Supervisory Board (flat year-on-year).

For more details, see [Annex 2](#).

The working hours of Metinvest's employees must adhere to the requirements of the national legislation of the countries where it operates and international standards. The Group provides flexible working hours and parental leave for employees with children, along with childcare and healthcare programmes tailored to the needs of working parents.

Metinvest is committed to providing workplace accessibility and negotiates terms for employees with disabilities on a case-by-case basis, ensuring that working hours and job responsibilities accommodate their unique requirements. At the end of 2022, the Group employed 2,350 people with disabilities, compared with 2,694 at the end of 2021. The difference was mainly because of the decreased headcount in 2022.

HUMAN RIGHTS

GRI 2-26; 410-1; 412-1; 412-2

Metinvest remains dedicated to safeguarding labour and human rights throughout the business.

While placing primary importance on protecting the safety of all its employees, the Group also strives more widely to foster a trust-based work environment, exhibiting zero tolerance for discrimination based on race, gender, age, religion, or any other personal attributes.

Metinvest's Code of Ethics and Human Capital Management Policy articulate the core principles that underpin its commitment to protecting and upholding human rights in alignment with the International Bill of Human Rights, the UN's Guiding Principles on Business and Human Rights, and the ILO's Declaration on Fundamental Principles and Rights at Work.

To ensure that employees feel supported and comfortable when reporting potential rights violations, the Group has implemented multiple communication systems, including a Trust Line, dedicated Metinvest communication channels and a corporate portal.

Metinvest used to test employees' knowledge of the Code of Ethics using an online course that covered specific aspects related to human rights. In the period from 2019 to 2021, 95% of the Group's employees completed this training. In 2022, the Group paused its mandatory training on the Code of Ethics because of the Russian Aggression.

COLLECTIVE BARGAINING

GRI 2-30; 407-1

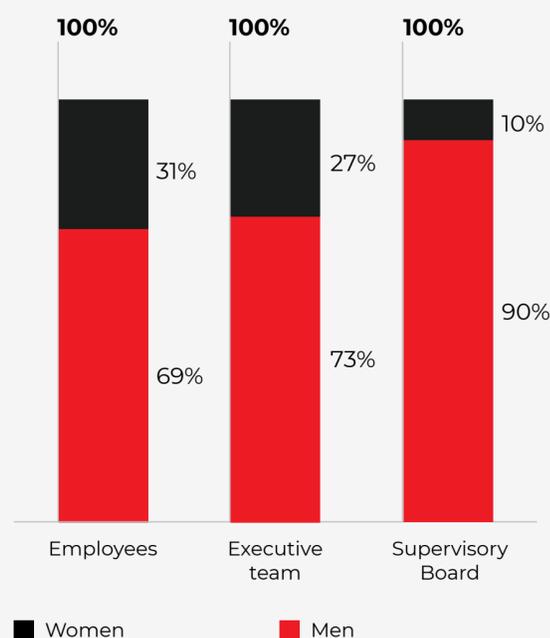
Metinvest acknowledges the fundamental and legally enshrined right of employees to establish and join trade unions, as well as engage in collective bargaining to protect shared interests. Industry agreements and collective contracts apply to all employees, irrespective of union membership.

To reinforce its dialogue with diverse employee groups – including labour organisations, female employees, young professionals, and retired and former employees – Metinvest relies on the following internal documents:

- the Principles of Social Dialogue with Trade Unions
- the Principles of Gender Equality
- the Principles of Engagement with Metinvest's Youth
- the Principles of Engagement with Metinvest's Retirees

At the end of 2022, a total of 99% of production personnel at the Group's assets were covered by collective bargaining agreements.

Gender diversity in 2022



TRAINING AND DEVELOPMENT

GRI 404-1; 404-2

The Group's learning and development framework is embodied by its Corporate University, asset-based training centres and Metinvest Polytechnic, the private university for the steel and mining industry established by the Group. For more details, please see page 38.

In the reporting period, Metinvest narrowed the scope of its efforts in the training area to critical initiatives aimed at supporting production efficiency and retaining relocated staff. The scope of management and software training was reduced to prioritise core employee training.

As a result, training programmes offered by the Group in 2022 covered the following areas: requalification and advanced employee skills; occupational health and safety; first aid in wartime; managerial and employee qualification improvement (through Metinvest Polytechnic); mentorships for production personnel; Ukrainian-language study programmes; and software and management skills for employees of service assets.

Employee training sessions

57,986

Overall, Metinvest's spending on human capital development totalled around US\$1 million, down 79% year-on-year. In particular, 26,262 employees attended 57,986 internal training sessions, resulting in an average of 34 hours of training per employee in 2022.

Aiming to support professional development, the Group also opened proficiency testing centres at Metinvest Promservice, Kamet Steel and Kryvyi Rih Machining and Repair Plant for retraining employees from the assets affected by the full-scale war. These centres allowed employees to receive professional qualifications through the evaluation of their skills against industry standards. In 2022, more than 500 employees passed qualification testing as part of this initiative.

In addition, 220 employees completed advanced training courses through the joint programme offered by Metinvest Polytechnic and the Corporate University in 2022. The key areas of training were HSE, risk management, modern steelmaking and mining technology, and business-oriented Ukrainian language courses.

YOUNG TALENT

GRI 404-2

Metinvest recognises that its business relies on the availability of high-quality, forward-thinking young professionals. Its longer-term aim is to play a major role in reinvigorating the vocational educational system in Ukraine to ensure the country has the skilled professionals it needs for the future.

One initiative that continued despite the full-scale war was the internship programme, which is critical to the Group's ability to help to prepare the next generation of highly qualified mining and steelmaking professionals.

Meanwhile, the Steel-Tok career exhibition for pupils was scaled back to only cover the city of Zaporizhzhia. It provided career consultation to 970 students in the eighth and ninth grades at 18 local schools during the reporting period.

Graduates who joined the Group

510

Overall, 1,070 students from 29 educational institutions completed internships and Metinvest hired 194 of them. They were among 510 recent graduates who accepted the first employment offers in their careers from the Group.

In addition, Metinvest remained focused on the refinement of professional standards to modernise training systems across enterprises and educational institutions. These ongoing efforts seek to align state qualification and educational standards in Ukraine with the production needs of modern industry.

In addition, the Group's experts participated in developing methodological recommendations for professional standards development in Ukraine.



METINVEST POLYTECHNIC

Metinvest Polytechnic demonstrates the Group's commitment to enhancing the quality of technical education in Ukraine.

Construction of a modern, comfortable campus started in 2021 in Mariupol. Metinvest Polytechnic planned to open the doors to the initial cohort of students in September 2022. While the Russian Aggression has forced some aspects of these plans to be postponed, the university successfully adapted to provide innovative online programmes to the hundreds of students who began their studies in 2022. Education at Metinvest Polytechnic is offered free of charge for both the Group's employees and their children.

In a remarkable display of resilience, Metinvest Polytechnic managed to retain nearly all its teaching staff following the full-scale invasion. Throughout 2022, the university not only continued to prepare for its licensed bachelor's and master's degree programmes, but also resumed training courses in seven areas for employees of the Group seeking to upgrade their skills and qualifications.

The university offered 11 bachelor's degree programmes and 12 master's degree programmes, of which metallurgy, computer science, automation, computer integration technologies and occupational safety were the most popular among the first-year students.

The focus on global scientific achievements and advanced practices in the fields of metallurgy, industrial business and transformational management ensures that the university continues to train a new generation of specialists in the metals and mining sector.

Students of Metinvest Polytechnic come from diverse backgrounds, including graduates of colleges and lyceums, employees of Group enterprises from Zaporizhzhia, Pokrovske, Kamianske and Kryvyi Rih, as well as residents displaced from Mariupol and Avdiivka.

In 2022, a total of 442 people started their programmes of study at Metinvest Polytechnic, comprising 195 students working towards bachelor's degrees and 247 in master's degree programmes. Overall, 62% of enrollees in the 2022 cohort were Metinvest employees and 12% were their children.



5 More information about the illustration is on page 96.